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UNITED STATES DEPARTMENT OF AGRICULTURE
 Bureau of Biological Survey
 Washington, D. C.

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G. S. Department of Agriculture

February 3, 1933.

Memorandum relative to
Methods of Purchase of Gasoline and Oil for Official Use

Bulk Purchases of Lubricating Oil

For the fiscal year 1934, the bureau is arranging for participation of all its field activities in contracts covering bulk purchases of lubricating oil proposed to be executed by the Navy Department. These contracts will make available superior grades of lubricating oils at very low prices, delivered as ordered in cases, drums, barrels, etc., at practically any railroad station in the United States.

The drawback to the Navy oil contracts is that under none of them may an order be placed for delivery at a designated railroad station of less than ten gallons (case containing two five-gallon cans) of oil, and this minimum quantity provision of these contracts may render it impracticable for many of the field employees of the bureau in charge of its motor equipment to take advantage of such contracts. However, the fact that the bureau will participate in the Navy oil contracts for the fiscal year 1934 does not signify that every field employee of the bureau in charge of a Government automobile or other motor equipment must arrange to order lubricating oil by the ten-gallon case, drum or barrel, but merely that when it is practicable to take such bulk delivery of lubricating oil, the purchase must be made under one of the Navy oil contracts. In other words, all bulk purchases of lubricating oil during the fiscal year 1934 must be made under the Navy contracts, and participation during such fiscal year in Coordinators or other joint contracts, as regards lubricating oils, must be limited to "service station" purchases.

Upon receipt of this memorandum it is requested that all field employees in charge of the operation of Government motor equipment canvas the situation in their respective districts as regards the feasibility of making purchases of lubricating oils under Navy contracts, taking into consideration facilities for handling deliveries of oil by the case, drum, or barrel (facilities for storing, distributing, draining, and refilling crank cases, etc.). If any employee concerned decides that it is practicable for him to make purchases of lubricating oil under Navy contracts, he should advise this office to that effect so that copies of such contracts when executed and available for distribution, further instructions, etc., may be sent him.

Note particularly that bulk purchases during the fiscal year 1934 of lubricating oil under Navy contracts will not preclude participation in a Coordinator or other joint contract for the same year as regards necessary transit purchases of oil at service stations. Participation in Navy oil contracts during the fiscal year 1934 merely means that all bulk purchases of lubricating oil (not less than ten gallon at a time) it is practicable to make must be made under such contracts, while "service station" purchases

of lubricating oil during the fiscal year 1934 should, when practicable, be made under Coordinator or other joint contract applicable to such purchases.

As regards the present fiscal year, bulk purchases of lubricating oil must be made under Navy oil contracts by the few agencies of the bureau, Sullys Hill and Wind Cave Game Preserves for example, authorized to participate in such contracts. Any bureau agency (except Predatory-Animal and Rodent Control, Idaho, for which authority to participate in Navy oil contracts for 1933 was requested early in December, 1932, but such authority has not been received as yet) which has not been authorized to participate in Navy contracts for the present fiscal year should participate in Coordinator or other joint contract in effect or offered for the remainder of the current fiscal year for bulk purchases of oil (if offered and it is practicable to make them), as well as service station purchases.

Coordinator or Other Joint Contract covering purchase of gasoline and oil

As regards lubricating oil the following instructions will be understood as authorizing participation in Coordinator or other joint contract only to the extent above indicated. Full participation, to the extent of official requirements and for the kind of delivery practicable, is authorized in such contracts as regards gasoline, but care must be exercised that participation is not undertaken in two conflicting contracts.

In accordance with the established policy of the department of agriculture, it is a requirement of this bureau that all its field employees who have occasion to make purchases of gasoline and oil for official use participate to the fullest extent practicable in joint contracts executed by Area Coordinators.

As most field employees understand, the country is divided into nine Areas, each consisting of several States or parts thereof, and each of these Areas is in charge of an Area Coordinator whose function it is, in the interests of economy and efficiency, to coordinate, where joint action is practicable, the Federal activities of his Area. Many of these Coordinators have, during the past two years or so, executed, after the solicitation of bids, contracts covering the joint procurement of gasoline and oil for such of the Federal agencies within their respective Areas as have requested such participation. Each Coordinator is presumed to be informed of the location of each Federal field agency or activity in his area, and to advise the employee in charge of such agency or activity of any joint contract in effect or proposed that may affect the purchase of Government supplies by such employee. However, in order that there may be no doubt in this matter and that the Area Coordinators may be definitely informed of all bureau agencies purchasing gasoline and oil in their respective Areas, and that the bureau employees in charge of such agencies may in turn be advised of any contract in effect or proposed in which they may participate for the purchase of gasoline and oil, procedure on the part of field employees concerned should be as follows:

If you are at present participating in a Coordinator's contract, it is supposed that the Coordinator will in due time advise you of any proposed contract for either any remaining part of the current fiscal year or for the whole or any part of the fiscal year 1934, and will request you to furnish estimate of your gasoline and oil requirements for the period to be covered by such proposed contract. If request for estimate is received by you, such estimate should be promptly submitted by you directly to the Coordinator or his representative.

If, however, you are at present participating in a Coordinator's contract but do not receive from him, within a reasonable time before the expiration of the current contract, advice regarding proposed future contract, you should write the Coordinator requesting information on the subject. In fact, since at least one of the Coordinators (the Coordinator of the Seventh Area) has already called for estimates of gasoline and oil requirements to be included in proposed joint contract for the fiscal year 1934 it is suggested, if, when this memorandum is received by you, you have not already received notice from your Coordinator of proposed future contract, either for any remaining portion of the present fiscal year or for the whole or any part of the fiscal year 1934, that you communicate with your Coordinator, inquiring if contract is proposed, and if so, stating that you desire to participate therein.

If for any reason, as for example, because Government automobile or other motor equipment has only recently been assigned to your use, you are not now participating in a Coordinator's contract covering the purchase of gasoline and oil, you should immediately upon receipt of this memorandum write your Coordinator, advising him that you desire to participate, if that can be arranged, in any joint contract at present in effect, and especially that you wish to participate in any proposed contract under which your purchases of gasoline and oil for official use can be made. This action on your part will at least advise your Coordinator, if he is not already informed, of the location of the bureau activity of which you are in charge, and will place you in direct touch with your Coordinator on the subject of gasoline and oil purchases. Should your Coordinator request that you furnish him with an estimate of the quantity of gasoline and oil that will be required by you for a particular period, such estimate should be promptly submitted by you directly to the Coordinator.

Most purchases of gasoline made by the field employees of this bureau for official use necessarily involve "service station" deliveries. In the past a few Coordinators have declined to execute contracts covering "service station" deliveries of gasoline, stating that they have found it impracticable to do so. Nevertheless, even if you had the matter up with your Coordinator last year, when he reported that it was impracticable to execute a joint contract involving "service station" deliveries of gasoline, you should again take the subject up with him this year. If his policy remains the same as last year, that is, if his attitude is that it is impracticable to execute a joint contract involving "service station" purchase of gasoline, you should, if that is the only kind of purchase under which it is practicable for you to operate, immediately canvas your district to ascertain if there is not some other Federal agency, as for

example another agency of this bureau, or the Forest Service or the National Park Service, etc., with whom you can join in the soliciting of bids for service station deliveries of gasoline, execution of contract, etc.

Of course, if your Coordinator offers you participation in a joint contract covering only bulk deliveries of gasoline, such as tank wagon, drum, etc., and you have facilities for handling gasoline so delivered, as in the case of a reservation protector having storage tank on reservation under his charge such offer should be accepted for the kind of delivery desired, and the Coordinator promptly furnished with your estimate of the quantity of gasoline required for such delivery.

In order to avoid the possible necessity of any employee in charge of one of the bureau's field activities from having to solicit his own bids, etc., on gasoline and oil required in his district, especially for service station delivery, all field employees concerned should promptly make diligent effort to arrange for participation in either a Coordinator's contract, or some other Federal contract, under which he can make such "service station" purchases of gasoline and oil as may be necessary and practicable.

As to bulk purchases of gasoline, while it is a comparatively simple matter to solicit bids on a definite quantity of gasoline to be delivered at a definite place or places, nevertheless, whenever possible, arrangements for purchases of this character under Coordinator's contract should be made.

It may be argued by some field employees that Coordinator's contracts are of no practicable benefit to them, that frequently as good grade of gasoline can be bought as cheap in the open market as under the contract, etc., but it must be remembered that in this matter the entire Federal service is involved and Coordinator's contracts have undoubtedly saved money for the Government. Furthermore, the General Accounting Office is inclined to place considerable emphasis on contracts, stating that since it is known at the beginning of each fiscal year that each agency of the Government, even if only one automobile is operated, will purchase in the course of the year gasoline costing in excess of \$50, bids should be solicited and contract executed, and it is certainly a more satisfactory and efficient process to participate in a joint gasoline procurement than for each Government agency to attempt to solicit bids, etc., for its individual gasoline requirements. Participation in Coordinator or other joint contract also simplifies, through the use of courtesy or other identifying cards, "service station" purchases of gasoline, the monthly billing of these purchases on form 1034 voucher, and the exemption of such purchases from State or other local taxes.

If your district covers more than one Area, and you have, from time to time, occasion to purchase gasoline and oil in each of such Areas, you should, if possible, arrange to participate in Coordinator's contract or other joint contract for each of the Areas involved.

After you have arranged for participation in a Coordinator or other joint contract, you should, especially if service station purchases are to be made, obtain from the oil company to whom contract in the case has been awarded, a courtesy or other identification card which should enable you to make, without difficulty, credit purchases of gasoline and oil at any service station of the company listed in or otherwise covered by such contract, such purchases to be billed monthly by the company (contractor), invoice, or invoices, certified by such company to the effect that "its bill is correct and just and that payment therefor has not been received being transmitted by the company to you for preparation of supporting 1034 voucher, its certification by you and transmittal to the bureau for payment. If you have assistants who are in charge of the operation of Government automobiles and have occasion to make "service station" purchases of gasoline and oil, identification card should be obtained for each of such assistants, procedure in other respects to be as just stated.

If "service station" purchases of gasoline and oil are made as above indicated, tax exemption certificate need not be executed at the time each such purchase is made. Only one certificate, and that only if required by the company (contractor) need, as a rule, be executed to cover the total purchases as billed under the contract by the company at monthly or other intervals.

Note, tax exemption certificates cover only State or other local tax. As to whether Federal tax on gasoline and oil is to be billed against the Government in the case of purchases under a joint contract will depend upon the terms of such contract, if it provides for the payment of Federal tax by the Government, either as a separate item or as added to the unit price charged for the gasoline or oil purchased, such tax is a proper charge against the bureau and will be paid; if, however, contract provides a flat price per unit of gasoline or oil and no reference is made to Federal tax, such flat price only is payable by the bureau.

If it is ever necessary to make a cash purchase of gasoline or oil under a joint contract, such purchase must be made exempt from State or other local tax, at least the bureau cannot reimburse you for any State or local tax included in a cash purchase of gasoline or oil made by you under a joint contract, all such contracts, by whomsoever executed, providing that all purchases thereunder shall be exempt from State or other local tax. But it should rarely, except possibly where personally owned car is being operated on an actual expense basis, be necessary for you to make a cash purchase of gasoline and oil under a joint contract, the fundamental idea of such contracts being that if you are authorized to make purchases thereunder you have provided yourself with means of identifying yourself as entitled to make credit purchases under such contracts.

If in any instance, where you exhibit a courtesy card, etc., a service station of a company to which a joint contract has been awarded, listed in or otherwise covered by such contract, refuses to make sale

to you under the contract in question, the matter should be taken up by you directly with the company (contractor) or, if necessary, with the Coordinator or other Federal official who executed the joint contract involved. If, in a case of this kind, you are forced to pay cash to the service station of the contractor for the gasoline, etc., required, you should obtain from the service station a receipt for the amount paid, present such receipt to the contractor, requesting refund to you of the amount so paid and the billing of the item in the regular way against the bureau.

Having arranged for participation in a joint contract you must make purchases thereunder whenever it is practicable. It would seem that all employees would understand what is meant by the word "practicable;" but apparently some interpret it to mean "convenient" or "preferable" or "cheaper." If you have not, for example, sufficient gasoline to drive automobile to the nearest service station, at which gasoline can be purchased under contract, it is, of course, not practicable to make purchase in the case under the contract and sufficient gasoline to meet your immediate needs may be purchased from any nearby service station; but if you are coming to a town where a service station listed or otherwise covered by contract is located and you need tank refilled, although there is sufficient gasoline in it to operate car to such station, it is practicable to purchase under the contract even though it might be more convenient (because, for instance, you don't know the exact location of the contractor's station) to buy at some other station, or you can buy gasoline cheaper at some other station. What has just been said refers to "service station" purchases of gasoline only--tank wagon, drum, etc., purchases of gasoline must always be made under joint contract if you have arranged for participation in that kind of delivery.

This memorandum covers purchases of gasoline and oil for all official purposes, the operation of Government automobiles, tractors, outboard and marine motors, etc. It is highly desirable that all field employees of the bureau in charge of the operation of motor equipment indicated keep in direct contact with their respective Coordinators concerning joint contracts covering the purchase of gasoline and oil as representing the most practicable method of procurement of those commodities. To that end authority is given to all such employees to deal directly with Coordinators or other Federal officials in arranging for participation in joint gasoline and oil contracts, and such contractual authority as may be necessary to accomplish such participation is hereby delegated to said Coordinators or other Federal officials. If, in any instance, a Coordinator requires more specific delegation of contractual authority, it will be promptly furnished--telegraphed, if necessary--upon notification to that effect.

If service station purchases of gasoline and oil are the only kind it is practicable for you to make, and, having complied with the instructions of this memorandum, you are unable to arrange for participation, as regards such purchases, in a Coordinator or other joint contract, such purchases will have to be made in the open market unless and until you are advised otherwise by this office. The future policy of the bureau in this matter will depend largely upon the attitude of the General Accounting

Office. That attitude in turn will probably depend upon the extent gasoline and oil are purchased in the open market. If most of the bureaus service station purchases of gasoline and oil are made under contract, and open market purchases are reduced to a minimum, it is hoped that few suspensions will be made by the General Accounting Office against such open market purchases, and that such suspensions as are made can be satisfactorily answered by showing the impracticability of soliciting bids, etc., to cover the service station purchases involved. What has just been said, however, should not be applied to a case where the facts are such as to indicate that it is practicable to solicit bids, as where month after month an employee presents for payment vouchers, each in considerable amount, covering open market service station purchases of gasoline and oil, especially if most of such purchases are made at official station or at practically the same places each month. In a case of this kind the General Accounting Office is likely to suspend for showing of impracticability of soliciting bids, etc. As a matter of fact, if an employee in charge of an activity requiring monthly service station purchases of gasoline and oil in considerable amount, is unable to arrange for participation in Coordinator or other joint contract covering such purchases, he should consider the advisability of soliciting bids on his own official gasoline and oil requirements. Instructions as to wording of invitation for bids, procedure, etc., which must be suited to meet the particular requirements of each case of this character, cannot be given in this memorandum. Such instructions, if it is considered advisable to solicit bids, will be given to the employee concerned upon receipt of report from him as to conditions prevailing in his district, and his opinion as to practicability of soliciting bids, etc. Nothing should be done in this matter until the employee is satisfied that he cannot arrange for participation in a Coordinator or other joint contract. If unable to arrange for participation in such a contract for any remaining part of the present fiscal year, service station purchases of gasoline and oil for the period involved should be made in the open market, at least until otherwise advised by this office. If unable to arrange for participation in a joint contract for the fiscal year 1934 and your service station purchases of gasoline and oil are of such extent and are made at such places as to raise a presumption that it would be practicable to solicit bids, a report in your case, setting forth conditions, your conclusion as to the practicability of soliciting bids, etc., should be submitted to this office for consideration and advice in the premises.

Little difficulty is, as a rule, experienced in arranging for participation in joint contract for definite quantities of gasoline to be delivered, by tank wagon, etc., to a specific place or places. However, if you are in position to handle such deliveries and are unable to arrange for participation in a joint contract, upon advice to that effect, instructions as to procedure will be furnished you. The solicitation of bids in a case of this kind is a comparatively simple matter.

Note particularly: purchases of gasoline and oil, exempt from State or other local, etc., tax, under Coordinator or other Federal contract, may be made only for official use in Government automobile or other motor equipment; or for use in a personally owned automobile, motor boat, etc., used on an actual expense basis; or for use in a Government

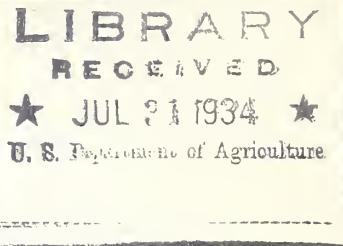
rented automobile, etc., where the Government pays for the gasoline and oil used in official travel or work; that is, in any case where the Government pays for the gasoline and oil either directly or by way of reimbursement. Purchases of gasoline and oil under Coordinator or other Federal contract may not be made for use in personally owned automobile operated on a mileage basis in performing official travel; or for use in personally owned automobile, etc., which is required to be furnished by the terms of an employee's employment without compensation other than that which may be reflected in employee's wages or salary.

W. C. Henderson

Acting Chief.

Bi-1258-a

UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Biological Survey
Washington, D. C.



July 20, 1934.

TO FIELD EMPLOYEES OPERATING GOVERNMENT AUTOMOBILES,
TRACTORS AND OTHER EQUIPMENT OR MACHINERY
REQUIRING USE OF LUBRICATING OIL

This Bureau will again participate in the Navy oil contracts for the fiscal year 1935. All field employees who find it practicable to handle during the fiscal year ending June 30, 1935, delivery or deliveries of lubricating oil in lot of at least one case consisting of two five-gallon cans, or in steel drums or barrels (see Bureau Memorandum Bi-1258), should upon receipt of this memorandum furnish this office with a statement giving an estimate, so far as practicable, of the number of gallons and grade by S.A.E. rating of the oil likely to be required during the present fiscal year, as well as the railway station or stations where delivery will probably be taken. While the requested estimate should, of course, not be a mere guess, still there will not be anything binding about it, and a larger or smaller quantity of oil than that as covered by such estimate may be purchased. Statement of rail or station or stations where delivery or deliveries of oil may be ordered to be made is merely requested for information of Division of Purchase, Sales, and Traffic.

Navy oil contracts should soon be ready for distribution to the field, and only those who submit estimates will be furnished copies with such instructions as are available for the use thereof. All employees known to have proper storage facilities, such as reservation protectors, etc., will be expected to submit estimates for oil requirements or state definitely why they are not in position to do so.

The Bureau is pledged to purchase all its bulk oil requirements amounting to at least two five-gallon cans at a time under the Navy oil contracts. No open market or other purchase than under the contracts in question during the period to June 30, 1935, should therefore be made.

A large, cursive handwritten signature that appears to read "E. J. Cohnan".

E. J. Cohnan,
Assistant, Division of Administration.

